

# **TEXAS HIGHER EDUCATION COORDINATING BOARD**

## **REQUEST FOR OFFERS FOR CONSULTING SERVICES**

The Texas Higher Education Coordinating Board (hereinafter referred to as THECB) is soliciting offers from organizations (hereinafter referred to as Consultant) for consulting services to advise THECB on analyzing costs of academic programs in 35 Texas public universities. The ultimate objective of this Request for Offer (hereinafter referred to as RFO) is to determine appropriate weights in a funding formula used to allocate appropriations to those institutions.

This Request for Offer is being made pursuant to authority granted under Texas Government Code, Chapter 2254, subchapter B, section 2254.026 (relating to contracts with private consultants).

### **1. GENERAL BACKGROUND:**

The Texas Higher Education Coordinating Board is a state agency responsible to the Governor and the Texas Legislature. One of its responsibilities is the development of funding formulas used by the Governor and the Legislature to allocate available funds among institutions of higher education.

The formula used for universities allocates a portion of the funds to institutions based on weighted student credit hours taught, with weights varying for different disciplines and levels. It is desired to validate the weights that are used in this formula by conducting a cost study to determine the extent to which the weights reflect actual costs. The current funding formula is attached as Appendix A to this RFO.

It is anticipated that the collection of data for the cost study would be done by universities, but consultant services are desired to assist in designing the methodology for conducting the cost study, validating the work of institutions in collecting data to support it, analyzing this data to validate existing weights or produce a new set of weights, and reporting.

It is anticipated that up to \$\_\_\_\_,000 will be available for this contract.

### **2. CONTRACT TERM:**

- 2.1 The contract resulting from this RFO, shall commence on the execution date and shall terminate on August 31, 2001 or upon the completion of Consultant's work described herein, whichever occurs first, unless terminated earlier pursuant to terms and conditions of the anticipated contract resulting from this RFO.

### **3. SCOPE OF WORK:**

### **3.1 Overview**

In the appropriation process, the Texas Legislature uses a funding formula to allocate available funds to institutions. This formula has several parts, but the most significant is the instruction and operations formula, and that is the subject of this study. The instruction and operations formula provides funding for instruction, research, academic support, student services, and institutional support.

The instruction and operations formula is used in the following manner: (1) During a one-year period prior to the end of the legislative session (base period), THECB determines the number of student credit hours generated in different disciplines and at different levels. (2) Student credit hours are then “weighted” by multiplying them by different weights, depending upon the discipline and the level of the student credit hours. (3) The total weighted student credit hours for each institution is then multiplied by a factor, currently \$54.44, to produce a recommended formula appropriation for each institution.

It is desired to do a study to determine the extent to which the current weights reflect actual relative costs to institutions. In the course of this study, it is desired to determine if the current weighting system involving 19 different disciplines and 5 different levels could and should be simplified. Finally, it is desired to do the cost study in such a way that it will be possible to compare the appropriations recommendations that would result from the existing weighting procedure with any new weighting procedure that might result from this study.

Committees appointed by the Commissioner of Higher Education review the funding formulas every biennium. In recent biennia, committees have recommended that the weighting procedure be reviewed but have found doing it beyond their capabilities. The most recent committee undertook a long-range effort to do that, and it is anticipated that Consultant would work with this committee.

A small group of institutions has done some preliminary work under the direction of this committee. It is assumed that the primary data collection effort to support the cost study would be done by the institutions. Consultant should review the work that has been done, but will be responsible for overall design of the cost study, validating the data provided by participating institutions, analyzing this data, and providing a report containing the results of that analysis and recommendations for future funding formulas.

Consultant will be solely responsible and accountable for managing and completing all activities, tasks, milestones and deliverables in accordance with the Scope of Work and the deliverables commitment of this RFO. Assignment of THECB staff to assist Consultant in its responsibility will in no way release the Consultant from its responsibility for completing any work or delivering any products set forth in this RFO, its Statement of Work or resulting contract.

### **3.2 Phase I – Cost Study Design**

- 3.2.1 Consultant should review the work of the committee that has been working on this effort and should develop a design for doing the cost study. This design should include an inventory of data to be collected, definitions for these data elements, a methodology for collecting the data, a schedule for collecting data, data validation, and a methodology for analyzing the data.

This phase of the work should involve at least two meetings with the advisory committee: one to obtain their input on existing institutional data and the study design and a second to review preliminary cost study design decisions.

- 3.2.2 In response to this RFO, the Consultant must:

1. provide a detailed description of Consultant's suggested methodology, approach and alternatives to meeting Phase I objectives;
2. propose a detailed description of the tasks, activities, resources and time lines for performing Phase I objectives (the description should be sufficiently detailed to include in a Statement of Work for the contract);
3. provide a brief description of Consultant's academic qualifications to perform the Phase I assessment;
4. describe Consultant's prior experience in performing Phase I type objectives, with an emphasis on prior experience with public sector clients and describe how organizations modified their compensation structures in accordance with Consultant's recommendations.

### **3.3 Phase II - Data Collection Validation**

- 3.3.1 It is assumed that THECB would collect data specified in the cost study design. Consultant should undertake a program of work to validate the data provided by institutions as part of the cost study. This effort may involve edit checks, comparisons with other sources of information, auditing samples of data submitted, or other mechanisms deemed appropriate for this effort.

- 3.3.2 In response to this RFO, the Consultant must:

1. provide a detailed description of Consultant's suggested methodology, approach and alternatives to meeting Phase II objectives;
2. propose a detailed description of the tasks, activities, resources and time lines for performing Phase II objectives (the description should be sufficiently detailed to include in a Statement of Work for the contract);

3. provide a brief description of Consultant's academic qualifications to perform the Phase II assessment;
4. describe Consultant's prior experience in performing Phase II type objectives with emphasis on prior experience with public sector clients.

### **3.4 Phase III - Data Analysis**

- 3.4.1 Consultant should analyze data collected to support the cost study or should, in the cost study design, specify analyses that should be performed by THECB. In the event that Consultant opts for analysis by THECB, Consultant should verify that those analyses have been performed correctly.

An important part of this analysis is a comparison of the effects on recommended appropriations to individual institutions of any changes that might result from changes to the funding formula as a result of this cost study.

- 3.4.2 In response to this RFO, the Consultant must:

1. provide a detailed description Consultant's suggested methodology, approach and alternatives to meeting Phase III objectives;
2. propose a detailed description of the tasks, activities, resources and time lines for performing Phase III objectives (the description should be sufficiently detailed to include in a Statement of Work for the contract);
3. provide a brief description of Consultant's academic qualifications to perform the Phase III assessment;
4. describe Consultant's prior experience in performing Phase III type objectives.

### **3.5 Phase IV - Reporting**

- 3.5.1 Consultant must prepare a final written report that provides a record of the work done. This report must include all of the elements described below.

In addition, up to three final oral reports will be required: one to a meeting of institutional representatives, one to THECB, and one to a committee of the Legislature (if desired).

- 3.5.2 In response to this RFO, the Consultant must:

1. provide a detailed description of Consultant's suggested methodology, approach and alternatives to meeting Phase IV objectives;
2. propose a detailed description of the tasks, activities, resources and time lines for performing Phase IV objectives (the description should be sufficiently detailed to include in a Statement of Work for the contract);

3. provide a brief description of Consultant's academic qualifications to perform the Phase IV assessment;
4. describe Consultant's prior experience in performing Phase IV (a) and (b) type objectives.

### **3.6 Contract Deliverables**

- 3.6.1 Consultant shall, in a good and satisfactory manner, carry out the tasks necessary to provide analysis, advice, recommendations, performances and Deliverables as called for in this RFO and in accordance with the Scope of Work. Such performances shall be rendered at the site(s) hereinafter named by THECB or its designee, unless THECB, or its designee, shall otherwise specify in writing.
- 3.6.2 **Substantive Outlines.** As an interim deliverable, Consultant will produce and present to THECB, for review and approval, a substantive outline for the work and content for: Phase I, Phase II, Phase III, and Phase IV. The substantive content of each outline will include at a minimum a proposed final report format and a substantive discussion of the approach and methodology for the work to be performed. THECB and Consultant will adjust or revise the scope of each outline to more clearly define the scope of work.
- 3.6.3 **Draft Reports.** As an interim deliverable, Consultant will produce and present to THECB, for review and approval, an interim draft report for: Phase I, Phase II, Phase III, and Phase IV. This deliverable will include: appendices with statistical data supporting findings, conclusions and recommendations. Consultant will also include: charts, graphs, and other visual representations of core findings, conclusions and recommendations. The Consultant will make such corrections to substance and content as identified by THECB. The Consultant will make such adjustments and modifications to draft report as identified by THECB.
- 3.6.4 **Final Reports.** As a final contract Deliverable, a written report will be produced by Consultant for: Phase I, Phase II, Phase III, and Phase IV. The specific organization and substantive content of each report will be resolved throughout the project, with emphasis during the interim deliverable stages. Each report should include the following topics and such other topics, which are specifically agreed upon between THECB and Consultant and the report must thoroughly resolve the particular issues unique to each deliverable:
  - Table of Contents
  - Executive Summary
    - Scope and Objectives
    - Summary of Significant observations and Conclusions
    - Overall Conclusions and Recommendations
  - Background
  - Detailed Scope and Objectives

- Methodology
- Assumptions
- Detailed Findings and Observations
- Analysis
- Recommendations
- Conclusion
- Appendices

3.6.5 **Status Reporting.** During scheduled bi-weekly meetings, Consultant will provide oral reports on Project progress and schedule, and a schedule of the next period's activities. These reports will be documented by written minutes of the meetings. Details of the period's activities will include:

- planned schedule versus actual schedule;
- problems encountered and status;
- failures to meet deadlines and proposed solutions; and
- deviations from the Scope of Work;

The Consultant will disclose at the meeting the impact that problems, failures or deviations have on the scheduled completion of tasks and work segments, the Phase, and the entire Project. Bi-weekly meetings may be by telephone conference call.

The Consultant will submit to THECB a written report of schedule and or content variances from the Scope of Work for each Phase, at the deliverable, task and activity levels within five (5) working days from the time of their occurrence.

The Consultant will submit monthly written reports to THECB that will encompass:

- C the overall status of the Project, including unanticipated problems and delays and the impact on Project completion;
- C the prior month's accomplishments;
- C any outstanding problems and/or issues and proposed solutions; and
- C upcoming activities.

At a minimum, Consultant will illustrate all upcoming activities using work plans specifically identifying tasks, personnel and begin and end dates.

3.6.6 Consultant and THECB will develop a tentative schedule for periodic meetings with THECB. The meetings will be for the purpose of providing information and additional guidance to Consultant in the performance of the Scope of Work. THECB may request interim advice from Consultant at such meetings. If appropriate, such meetings may coincide with regularly scheduled meetings to report status.

3.6.7 THECB shall have thirty (30) business days following delivery of the interim or final

products, Deliverables or Services ("Acceptance Period"), to accept or reject any products, Deliverables or Services ("Deliverable") tendered by Consultant in performance under this RFO or resulting contract. Tendering to THECB a Deliverable for Acceptance constitutes a certification by the Consultant that the Deliverable fully meets all of the requirements in the RFO, Scope of Work and resulting contract. In the event THECB elects to reject a Deliverable during the Acceptance Period, THECB shall notify Consultant in writing of such rejection. THECB will assist Consultant in identifying the error, type of error or inadequacy of the Deliverable, to permit Consultant to understand the cause of the error or inadequacy and correct the error or inadequacy. Upon Consultant's resolution of any errors or inadequacies identified during the Acceptance Period, the Deliverable shall be resubmitted to THECB for acceptance or rejection as stated above. Acceptance of the Deliverable(s) shall be in writing by an authorized representative of THECB ("Acceptance").

- 3.6.8 Time is of the essence in completing the Deliverables Phases I-IV Deliverables. Completion for the Deliverables for Phases I-IV is required no later than (insert date). Consultant should provide proposed completion dates in the format below in order to meet the project completion date of (insert date).

Phase I:

Substantive Outline: tendered to THECB on or before March 2, 2001;  
Interim Draft Report: tendered to THECB on or before March 16, 2001;  
Final Report: tendered to THECB on or before March 20, 2001;  
Status Reports, according to the schedule;  
In-person-report(s).

Phase II:

Substantive Outline: tendered to THECB on or before May 2, 2001;  
Interim Draft Report: tendered to THECB on or before May 18, 2001;  
Final Report: tendered to THECB on or before June 2, 2001;  
Status Reports, according to the schedule;  
In-person-report(s).

Phase III:

Substantive Outline: tendered to THECB on or before May 25, 2001;  
Interim Draft Report: tendered to THECB on or before June 8, 2001;  
Final Report: tendered to THECB on or before June 22, 2001;  
Status Reports, according to the schedule;  
In-person-report(s).

Phase IV:

Substantive Outline: tendered to THECB on or before July 27, 2001;  
Interim Draft Report: tendered to THECB on or before August 10, 2001;  
Final Report: tendered to THECB on or before August 24, 2001;  
Status Reports, according to the schedule;  
In-person-report(s).

- 3.6.9 As an additional Deliverable, Consultant will make 'in person' presentations of its findings, analysis, conclusions and recommendations on such dates, times, and places in Austin, Travis County, Texas as requested by THECB. Such presentations may include audiences internal or external to THECB. THECB anticipates that no more than two such presentations will be required. These presentations may occur, within an 18-month time frame following the Acceptance of the final report(s). THECB currently contemplates that no such presentation will be required until completion of all final reports.

#### **4. OFFER PROCESS**

- 4.1 **Questions relating to the RFO.** Consultant is expected to examine this Request for Offer (RFO) carefully, understand the terms and conditions for providing the pertinent services, and respond completely. Failure to respond completely may result in disqualification. Questions about this RFO shall be directed, in writing only, to the address provided below, on company letterhead or via e-mail. Verbal questions and explanations are not permitted. Electronic submissions by facsimile will be accepted. THECB reserves the right to provide or not to provide additional clarification in response to Consultants questions. To be eligible to receive Consultant questions and responses to this RFO, if any, the Consultant, must file a written letter of interest with THECB no later than 2:00 p.m. on January 12, 2001. No inquiries or questions will be answered after 2:00 p.m. January 21, 2001, to allow ample distribution time for any changes. Any questions or letters of interest regarding this RFO may be directed to:

**Kenneth Vickers  
Director, Finance  
Texas Higher Education Coordinating Board  
P. O. Box 12788  
Austin, TX 78711  
(512) 427-6130; (512) 427-6147(fax); VickersKh@thech.state.tx.us**

- 4.2 **Delivery of Offer.** A signed original and five (5) copies of the offer must be received by THECB, no later than 5:00 p.m., Central Standard Time, January 26, 2001. Any offer received after the specified time and date will not be considered. Conditioned on THECB's receipt of the requisite finding of fact from the Governor's Budget and Planning Office pursuant to Texas Government Code section 2254.028, THECB anticipates entering into the



resultant contract on or about **February 9, 2001**. The Consultants offers shall be delivered to:

**Kenneth Vickers, Director, Finance  
Texas Higher Education Coordinating Board  
1200 East Anderson Lane  
Austin, TX 78752  
(512) 427-6130**

- 4.3 **THECB Reservation of Rights.** THECB has sole discretion and the absolute right to reject any and all offers, terminate this Request for Offer, or amend, delay or re-issue this Request for Offer. THECB reserves the right to remedy technical errors in the RFO process, waive any informalities and irregularities relating to any or all Offers submitted in response to this request and to negotiate modifications necessary to improve the quality or cost effectiveness of any Offer to THECB. THECB further reserves the right to accept one or more offers and contract for any grouping or individual Deliverables described in this RFO. The issuance of this Request for Offer does not constitute a commitment by THECB to award any contract. THECB intends any material provided in this Request for Offer only and solely as a means of identifying the scope of services and qualifications sought.
- 4.4 **Expenses for Preparing Offer.** THECB will not pay any cost incurred by a prospective consultant in the preparation of a response to this Request for Offer and such costs will not be included in the budget of the prospective Consultant submitted pursuant to this Request for Offer. The State of Texas assumes no responsibility for expenses incurred in the preparation of responses to this Request for Offer. In the event that the prospective consultant is engaged to provide the services contemplated by this Request for Offer, any expenses incurred by the prospective consultant associated with the negotiation and execution of the contract for the engagement will remain the obligation of the Consultant.
- 4.5 **Non-responsive Offers.** Failure to respond to all required portions of this RFO may result in the Consultant's response being deemed non-responsive. If a Consultant's response is deemed non-responsive by THECB, the response will be disqualified. Offers must be signed by an officer or principal of the Consultant, however, they may be signed by an agent if accompanied by written evidence of authority.
- 4.6 **Duration of Offer.** All provisions in Consultant's Offer, including any estimated or projected costs, shall remain valid for ninety (90) days following the deadline date for submissions or if a Offer is selected, throughout the entire term of the Contract. Offers may be withdrawn in writing prior to the date and time set for receipt of Offers.
- 4.7 **Negotiation with Consultant.** Preliminary and final negotiations with top-ranked prospective consultants may be held at the discretion of THECB. THECB may decide, at its sole option and in its sole discretion, to negotiate with one, several, or none of the prospective consultants submitting Offers pursuant to this request. During the negotiation

process, THECB and any prospective consultant(s) with whom THECB chooses to negotiate, may adjust the scope of the services, alter the method of providing the services, and/or alter the costs of the services so long as the changes are mutually agreed upon and are in the best interest of THECB. Statements made by a prospective consultant in the Offer packet or in other appropriate written form will be binding unless specifically changed by the Consultant, in writing, during final negotiations. A contract award may be made by THECB without negotiations if THECB determines that such an award is in THECB's best interest.

- 4.8 **Selection Criteria.** THECB will conduct an evaluation of all offers which conform to the requirements of this RFO. In selecting a consultant, THECB will: (1) base its choice on demonstrated competence, knowledge, and qualifications and on the reasonableness of the proposed fee for the services; and (2) if other considerations are equal, give preference to a consultant whose principal place of business is in the State of Texas or who will manage the consulting contract wholly from an office in the State of Texas. Conforming offers will be reviewed by a Selection Committee consisting of THECB staff members.
- 4.9 **Award/Contract Subject to Available Appropriations.** This Request for Offer and any contract which may result from it are subject to appropriation of State funds and the Request for Offer and/or contract may be terminated at any time if such funds are not available.
- 4.10 **Public Information.** All offers are considered to be public information subsequent to an award of the contract. All information relating to Offers will be subject to the Public Information Act, Texas Government Code Annotated, Chapter 552, after the award of the contract. All documents will be presumed to be public unless a specific exception in that Act applies. Prospective consultants are requested to avoid providing information which is proprietary, but if it is necessary to do so, offers must specify the specific information which the prospective consultant considers to be exempted from disclosure under the Act and those pages or portions of pages which contain the protected information must be clearly marked. The specific exemption which the prospective consultant believes protects that information must be cited. THECB will assume that a offer submitted to THECB contains no proprietary or confidential information if the prospective consultant has not marked or otherwise identified such information in the offer at the time of its submission to THECB.
- 4.11 **Negotiation of Contract Terms and Conditions.** At anytime after the offers are opened, THECB may negotiate contract terms and conditions with one or more of the Consultants. An award of a contract is expressly conditioned upon THECB and Consultant reaching an agreement on contract terms and conditions. THECB reserves the sole right, in its discretion, to determine if contract terms and conditions are acceptable. If the Consultant and THECB are unable to reach an agreement on the contract terms and conditions THECB will disqualify that Consultant, and then THECB will negotiate contract terms and conditions with the next best Consultant.
- 4.12 **Return of Offers After Selection Process.** All offers become property of THECB upon receipt and will not be returned.

- 4.13 **Ethics Standards.** No person shall participate or assume a responsibility in the implementation and execution of this RFO process including, but not limited to, the evaluation of offers and selections of Consultant's, when such participation constitutes a conflict of interest as defined by state law or executive order. After the RFO is published, THECB or any employee shall not furnish any technical information, or solicit offers and/or prices for its requirements or take any type of action which would or could be construed to give a direct or indirect advantage or disadvantage to any potential Consultant(s).
- 4.14 **Restrictions on Communication.** After the RFO has been issued, Consultant is prohibited from communicating with THECB staff regarding the RFO or offers, with the following exceptions:
- Kenneth Vickers, in writing;
  - The Committee, if interviews are conducted. THECB reserves the right to contact any Consultant for clarification after responses are opened and/or to further negotiate with any Consultant if such is deemed desirable by THECB.

THECB will not schedule meetings with representatives of any Consultant to discuss offers, and Consultant should not contact THECB employees to explain, clarify or discuss their Offers before an award has been made except as set out in this section. Violation of this provision may lead to disqualification from this process.

- 4.15 **Historically Underutilized Business (HUB) Subcontracting Plan.** In accordance with Texas Government Code Chapter 2161 and Texas Administrative Code (TAC) §111.11 through §111.24, state agencies are required to make a good faith effort to assist Historically Underutilized Businesses (HUBs) in receiving contract awards issued by the state. The goal of this program is to promote full and equal business opportunity for all businesses in contracting with the state. It is THECB's intent that all contractors make a good faith effort to subcontract with HUBs during the performance of their contracts.

**Important Note:** Historically Underutilized Business (HUB) Subcontracting Plan (HSP) Declaration is included with the IFB/RFO. THECB has concluded that HUB subcontracting opportunities are not probable under this solicitation. All Questions concerning HUBs and THECB's HUB Program should be directed to THECB's HUB Program Coordinator, at 512-427-6180.

All forms must be submitted to THECB within the specified time frames. Failure to do so will cause disqualification of the bid/Offer from being considered for award or revocation of any contract awarded because of noncompliance.

## **5. CONTENT OF OFFERS**

- 5.1 All Offers must be typed, double spaced, on 8 1/2" x 11" paper, clearly legible, with all

pages sequentially numbered and bound or stapled together. The name of the prospective consultant must be typed at the top of each page. Do not attach covers, binders, pamphlets, or other items not specifically requested.

5.2 A Table of Contents must be included with respective page numbers opposite each topic. The Offer must contain the following completed items in the following sequence:

- **Transmittal Letter:** A letter addressed to (insert name and address), that identifies the person or entity submitting the Offer and includes a commitment by that person or entity to provide the services required by THECB. The letter must specifically identify that this Offer is in reference to THECB University Cost Study RFO. The letter must include "full acceptance of the terms and conditions of the contract resulting from this Request for Offer." Any exceptions must be specifically noted in the letter. However, any exceptions may disqualify the Offer from further consideration at THECB's discretion. The letter must state, "The Offer enclosed is binding and valid at the discretion of THECB."
- **Executive Summary:** The Offer must include a summary of the contents of the Offer, excluding cost information. Address services that are offered beyond those specifically requested as well as those offered within specified deliverables. Explain any missing or other requirements not met, realizing that failure to provide necessary information or offer required service deliverables may result in disqualification of the Offer.
- **Project Offer:** The Offer must track and reference each section number in Section 3 Scope of Work. Consultant should provide a substantive description of how Consultant proposes to satisfy each item. If Consultant cannot satisfy a particular item or requirement, then Consultant must clearly identify the items or requirements it cannot satisfy. If Consultant believes it can best meet the needs of THECB by suggesting a modification to the Scope of Work, please suggest alternatives. If an alternative is proposed, please include a separate section identified as "Alternative Offer to Section X.X". THECB reserves the right to not consider alternative Offers. If a response requires Consultant to assume facts not presented in the RFO, Consultant must clearly identify such assumed facts. If a section requests specific information, please include the requested information.
- **Cost Offer:** THECB is interested in awarding a fixed fee contract. Because THECB may enter into a contract for all or some of the deliverables, please identify each deliverable and the corresponding fee and include a proposed schedule of payments. Consultant is welcome to suggest alternative fee Offers, but if an alternative is offered, please clearly identify that the fee Offer is an alternative. THECB reserves the right to not consider alternative Offers.

- **Qualifications:** While THECB is interested in the experience and qualifications of Consultant's firm or company, THECB is particularly interested in the experience of the individual staff Consultant intends to apply to this engagement. Therefore, please include information relating to the firm's or company's experience and qualification and please attach detailed resumes for each staff that Consultant intends to apply to this engagement. The resumes should identify the specific experience, projects and assignments for each staff offered. Emphasis should be placed on similar projects within the public sector.
- **References:** Prospective consultants will provide the names of at least three (3) different references meeting the following criteria:
  1. The reference company or entity must have engaged the prospective consultant for the same or similar services as those to be provided in accordance with the terms of this Request for Offer;
  2. The services must have been provided by the prospective consultant to the entity within the five (5) years preceding the issuance of this Request for Offer;
  3. The reference company or entity must not be affiliated with the prospective consultant in any ownership or joint venture arrangement;
  4. References must include the company or entity name, address, contact name, and telephone number for each reference. THECB may not be used as a reference. The contact name must be the name of a senior representative of the reference company or entity who was directly responsible for interacting with the prospective consultant throughout the performance of the engagement and who can address questions about the performance of the prospective consultant from personal experience. References will accompany the Offer.
  5. **For each such reference**, the prospective consultant will provide a signed release from liability [in the form of a letter addressed to the reference company or individual signed by Consultant] for each reference provided in response to this requirement. The release from liability will absolve the specified reference company or entity from liability for information provided to THECB concerning the prospective consultant's performance of its engagement with the reference.
- **Financial Condition:** As part of any Offer submission, the prospective consultant must include information regarding financial condition, including income statements, balance sheets, and any other information which accurately shows the prospective consultant's current financial condition. All Offers shall include the Consultant's State of Texas vendor identification number or federal tax identification number. THECB reserves the right to request such additional financial information as it deems necessary to evaluate the prospective consultant, and by submission of a Offer, the prospective consultant agrees to provide same. The prospective consultant must disclose if and when it has filed for bankruptcy within the last seven (7) years. For prospective consultants conducting business as a corporation, partnership, limited liability partnership, or other form of artificial person, the prospective consultant must disclose whether any of its principals, partners, or officers have filed

for bankruptcy within the last seven (7) years.

- **HUB Forms.** The appropriate HUB forms are attached to this RFO as Addendum A.
- **Certifications/Affirmations/Disclosures:** By signing the transmittal letter and submitting a Offer, Consultant makes and agrees to make the following certifications, affirmations and disclosures. If any explanation or qualification is required for any certification, affirmation or disclosure, you must include such explanation or qualification in your transmittal letter. A false statement or misleading statement in this section is a material breach of contract and shall void the submitted Offer or any resulting contracts. Please restate each of the following certifications, affirmations or disclosures in this section of your Offer.
  1. The Consultant has not given, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted Offer;
  2. The Consultant is not currently delinquent in the payment of any franchise tax owed the State of Texas;
  3. Neither the Consultant nor the firm, corporation or partnership or institution represented by the Consultant or anyone acting for such firm, corporation or institution has violated the antitrust laws of this State, the Federal antitrust laws nor communicated directly or indirectly the Offer made to any competitor or any other person engaged in such line of business;
  4. The Consultant has not received compensation for participation in the preparation of the specification for this Offer;
  5. Pursuant to Texas Family Code, Section 231.006, the Consultant certifies that the individual or business entity named in this Offer is not ineligible to receive a specified payment and acknowledge that this contract may be terminated and payment may be withheld if this certification is inaccurate;
  6. A Offer must include the names and Social Security Numbers of each person with at least a 25% ownership of the business entity submitting this Offer.
  7. Pursuant to Section 2155.004 Government Code (relating to issuance of warrants to persons indebted to the State or who owe delinquent taxes to the State) the Consultant certifies that the individual or business entity named in this Offer is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.
  8. Consultant acknowledges and agrees that, to the extent Consultant owes any debt

or delinquent taxes to the State of Texas, in accordance with Section 403.055(h), Government Code, any payments Consultant is owed under this Agreement will be applied by the Comptroller of Public Accounts toward any debt or delinquent taxes Consultant owes the State of Texas until the debt or delinquent taxes are paid in full.

9. Pursuant to Article 2.45 of the Texas Business Corporation Act, Consultant must certify that it is not delinquent in a tax owed to the State under Chapter 171 of the Texas Tax Code. Any Consultant who is delinquent may not be awarded a contract by the State.

10. With respect to all services, if any, purchased pursuant to this RFO, Consultant represents and warrants that it will buy Texas products and materials for use in providing the services authorized herein when such products and materials are available at a comparable price and in a comparable period of time when compared to non-Texas products and materials.

11. Consultant certifies that if a Texas address is shown as the address of the vendor, Vendor qualifies as a Texas Resident Bidder as defined in Rule 1 TAC 111.2.

12. If the consultant is an individual not residing in Texas or a business entity not incorporated in or whose principal domicile is not in Texas, the consultant certifies that it either: (a) holds a permit issued by the Texas comptroller to collect or remit all state and local sales and use taxes that become due and owing as a result of the consultant's business in Texas; or (b) does not sell tangible personal property or services that are subject to the state and local sales and use tax.

13. If the Consultant is an individual who has previously been employed by THECB or any other Texas state agency at any time during the two years preceding their Offer, the Consultant must disclose the following:

- the nature of the previous employment with THECB or any other state agency;
- the date the employment was terminated;
- the annual rate of compensation for the employment at the time of the Consultant's termination.

If a Consultant is subject to this disclosure and fails to make such a disclosure, the Offer will be disqualified.

## Appendix A

The funding formulas adopted by the Legislature for the 2000-2001 biennium are found in the General Appropriations Act, Article III, page III-237, and they are reproduced here for reference.

Section 34. General Academic Funding. Funding for general academic institutions will consist of four formulas and supplemental items.

1. **Instruction and Operations Formula.** The Instruction and Operations Formula shall provide funding for faculty salaries (including nursing), departmental operating expense, library, instructional administration, research enhancement, student services, and institutional support. These funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for the 2000-01 biennium is \$54.44.

Weighting is determined by the following matrix:

|                      | Lower Division | Upper Division | Masters | Doctoral | Special Professional |
|----------------------|----------------|----------------|---------|----------|----------------------|
| Liberal Arts         | 1.00           | 1.96           | 3.94    | 12.04    |                      |
| Science              | 1.53           | 3.00           | 7.17    | 19.29    |                      |
| Fine Arts            | 1.85           | 3.11           | 6.51    | 17.47    |                      |
| Teacher Education    | 1.28           | 1.96           | 3.23    | 9.95     |                      |
| Agriculture          | 2.05           | 2.54           | 6.64    | 16.37    |                      |
| Engineering          | 3.01           | 3.46           | 8.20    | 21.40    |                      |
| Home Economics       | 1.58           | 2.12           | 4.34    | 10.79    |                      |
| Law                  |                |                |         |          | 3.22                 |
| Social Services      | 1.64           | 1.84           | 5.80    | 11.92    |                      |
| Library Science      | 1.45           | 1.52           | 4.22    | 12.26    |                      |
| Vocational Training  | 1.45           | 2.59           |         |          |                      |
| Physical Training    | 1.36           | 1.36           |         |          |                      |
| Health Services      | 2.87           | 3.46           | 6.47    | 15.98    |                      |
| Pharmacy             | 4.00           | 4.64           | 7.55    | 19.11    | 13.43                |
| Business Admin.      | 1.41           | 1.59           | 4.59    | 13.91    |                      |
| Optometry            |                |                | 5.46    | 19.12    | 7.00                 |
| Teacher Ed. Practice | 2.43           | 2.57           |         |          |                      |
| Technology           | 1.99           | 2.56           | 6.61    |          |                      |
| Nursing              | 4.91           | 5.32           | 6.49    | 16.32    |                      |



2. **Teaching Experience Supplement.** For the 2000-2001 biennium, an additional weight of five percent is added to lower-division and upper-division semester credit hours taught by tenured or tenure-track faculty. Furthermore, it is the intent of the Legislature that the weight shall increase by ten percent per biennium, up to 50 percent.

3. **Growth Supplement.** Universities projected by the Coordinating Board to experience growth in headcount enrollment from Fall 1998 to Fall 2000 will receive a \$1,435 supplement for each additional student forecasted to enroll during that time period. The supplement is based on the amount of general revenue funding per student generated by the instruction and operations formula.

4. **Infrastructure Support Formula.** Funding associated with plant-related formulas and utilities shall be distributed by the infrastructure support formula, which is driven by the predicted square feet for universities' educational and general activities produced by the Space Projection Model developed by the Coordinating Board. The portion of the formula related to utilities is adjusted to reflect differences in unit costs for purchased utilities, including electricity, natural gas, water and wastewater and thermal energy. The average rate per square foot is \$7.26.

5. **Supplemental Non-formula Items.** Institutions should receive a direct reimbursement as applicable for staff group insurance (other educational and general income portion), workers compensation insurance, unemployment compensation insurance, public education grants, 50 percent of indirect research costs recovered on grants, organized activities, scholarships, tuition revenue bond payments, Skiles Act bond payments, and facility lease charges. Institutions may receive an appropriation for special items. Revenue derived from board authorized tuition would still be appropriated to the institutions levying the additional charges.

These formulas and supplemental items shall be reviewed and updated by study committees appointed by the Higher Education Coordinating Board and the recommended changes forwarded to the Legislature, Legislature Budget Board, and Governor's Office of Budget and Planning by June 1, 2000.